Introduction

Since the start of Australia’s overseas aid program in the 1940s, Australia has spent over $100 billion on aid. With the commitment to increase aid to 0.5% of GDP, public and media scrutiny can be expected to intensify. In a world of increasing fragmentation and complexity, the task of effective development is extremely challenging.

Several critical milestones stand out in the history of Australia’s aid program. The creation of a separate agency to manage the aid program in 1973 established the capacity for a coherent set of aid policies and the nurturing of development expertise within a single department. Over the years there have been pressures to loosen this arrangement, and today a significant percentage of aid is delivered by other government departments. Issues such as climate change, conflict and migration demand a cross disciplinary approach, but there is a risk that fragmentation and a lack of expertise in international development in other government departments will lead to incoherence and ineffective programs. All aid should be subject to the same policies and scrutiny and have a professional cadre of staff to manage it.

The Jackson Review in 1984 resulted in a shift to country programming – with the emphasis being placed on country-based analysis and decision-making to deliver effective aid. Effective development is highly context-specific and aid should be based on systematic planning at the country level, drawing on each country’s own priorities and plans and clearly establishing Australia’s role in these.

The Simons Review in 1996 criticised the multiple objectives of the aid program – commercial, foreign policy and developmental – and recommended that the Government adopt a single objective for its aid – poverty reduction. The removal of the commercial objective from the aid program has resulted in a clearer focus of aid on poverty reduction. This focus should be enhanced.

The 2006 White Paper on aid was another milestone, creating the most substantial and well-argued policy framework for aid that Australia had ever seen. However, with the change of government shortly after its release, the White Paper was not implemented and the aid program now lacks a coherent and substantive narrative.

The outcomes of this review have the potential to create a more effective aid program for this decade and beyond. The most critical factors in an effective aid program are:

- a clear vision and mission;
- an aid agency with a strong voice across government;
- mechanisms to ensure that analysis of the impact of Australian Government policies on poverty and development is brought to bear on decision making at the highest levels of government;
- strong country specific analysis which leads to agreement on measurable, long-term outcomes to which the development partners are held accountable;
- an unwavering commitment to focus on the needs of and barriers faced by poor women;
- an organisation which recognises the value of development expertise and nurtures and develops that expertise across the program;
- appropriate and ‘fit-for-purpose’ aid delivery mechanisms which emphasise partnership around the achievement of outcomes;
- strong corporate services which support the needs of effective program delivery; and
- strong public communications on why Australia provides international aid.
Gender Inequality and Women’s Empowerment

The world cannot make progress if women and girls are denied their rights and left behind. There is a substantial body of research which demonstrates that educating girls and empowering women provide the highest returns of any investment in development. Yet there is clear evidence that women are not being reached by development initiatives and women’s inequality is a continuing challenge. Evaluations show repeatedly that policy commitments on women’s empowerment are not being effectively translated into development practice. There is also evidence that the new aid modalities which flow from the Paris Declaration have inadvertently led to further erosion of support for gender equality (see 2008, the UK Gender and Development Network: Women’s Rights and Gender Equality, the new aid environment and civil society organisations).

To ensure that Australia’s aid program benefits both women and men and seeks to address the significant discrimination against women, the Government should commit to:

- making specific commitments to gender equality as part of all policy documents, including country strategy papers;
- monitoring all programs, including SWAps and direct budget support in relation to their impact on gender equality and women’s rights;
- ensuring specific funds are available for gender equality and women’s rights work in each country, in addition to commitments to mainstreaming;
- ensuring there are sufficient skilled staff, particularly at overseas posts, to fulfill these commitments;
- providing appropriate training to all staff, including training in specific negotiation skills, to assist them to negotiate gender issues with partners;
- understanding, supporting and helping to fund the critical role that civil society plays in furthering progress on women’s rights and gender equality; and
- commissioning and supporting research on gender equality.

In addition to strengthening AusAID’s capacity and commitment to gender equality, Australia can play a leading role in international efforts. The establishment of UN Women on 1 January 2011 with Michelle Bachelet at its head offers new hope for a greater commitment and capacity within the UN system. Member states have recognised that at least $USD500 million per annum will be required by UN Women to fulfill its mandate (compared to UNICEF’s budget of around $USD3.3 billion per annum). Australia should commit to contributing its fair share of this amount of funding and play an active role in supporting this new organisation become an effective force within the aid system.

Besinani, a participant in CARE’s project in Malawi.

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What Helps Women Become Empowered?

Empowerment is the sum total of changes needed for a woman to realise her full human rights: the combined effect of changes in her own aspirations and capabilities; the environment that influences or dictates her choices; and the interactions she engages in each day. Based on CARE’s analysis, there are five critical factors to empowerment:

1. Take a 360-degree view of the process. Policies and programs intended to promote women’s empowerment must be comprehensive. Partial approaches may fail, waste resources and cause unintended harm.

2. Create long-term, flexible funding arrangements. Donors must recognise the complexity and non-linear nature of women’s empowerment, and provide sustained support and opportunity to practitioners and the courageous women and girls involved.

3. Integrate women’s empowerment into all aspects of programming. Gender analysis is a critical first step and must be followed by continuous data gathering and incorporation of gender data into program.

4. Look beyond the laws. Laws can be irrelevant where local customs define prevailing norms. We must consider how laws are implemented and enforced, and help women become aware of their rights.

5. Engage staff in empowerment activities. Staff may be ambivalent about aspects of women’s empowerment. Investing in training and providing opportunities for feedback is a vital first step that requires more emphasis and resources.

Working with Civil Society

Working with the state alone is not enough to respond to the needs of citizens and particularly the poorest segments of society. The way in which the state interacts with its citizens strongly affects how development occurs in a particular context. Hence, effective aid should take as much account of civil society as it does of the state.

Currently most institutional donors, including AusAID and the World Bank, place the majority of their attention on government institutions. Despite broad acknowledgment of the need to engage on both the ‘supply’ and ‘demand’ sides of governance and service delivery issues to ensure sustainable change, few donors have any coherent or systematic framework through which they engage with civil society. As a consequence, engagement by donors with civil society actors, including international NGOs, has failed to maximise the value of the resources and insights that civil society actors bring to the development agenda.

NGOs work directly with poor communities and often have the most comprehensive knowledge of poverty in specific contexts. This enables NGOs to directly deliver support based on the communities’ own needs and concerns, support initiatives to reduce conflict and enhance social inclusion as well as providing support to communities to monitor government services. NGOs are well placed to understand how government policies affect the poor and to support advocacy to enhance services and programs to best meet the needs of the poor and marginalised.

ODE has recently undertaken an evaluation of AusAID’s engagement with civil society. The draft report suggests that AusAID’s approach to civil society tends to be ad hoc and ‘scatter gun’. We would welcome a more strategic approach which recognises the vital role of civil society in development and systematically provides support in areas of comparative advantage. This should not be based on a rigid contracting model but support outcomes-focused partnerships which recognise the unique insights and roles of NGOs.

A clear and deliberate part of an AusAID strategy to work with civil society must be a strategy to work with accredited Australian NGOs. We have demonstrated our capacity to deliver effective programs with lasting results and have the capacity to scale up these programs significantly.
The AusAID accreditation process was best-practice when it was introduced almost 15 years ago, but is now seldom exploited to its full advantage. The accreditation process could be used more flexibly to facilitate longer-term and more strategic funding arrangements at both country and global levels, and to streamline contract management for fully-accredited NGOs to enhance the focus of reporting on policy and impact issues to AusAID.

**Aid Effectiveness**

There is a mass of literature on aid effectiveness, and it is not within our capacity to review this. However, it is clear that too much of the Paris Declaration and Accra Agenda for Action has focused on processes not outcomes. These agreements are predicated on improving the existing DAC-focused system, which is at risk of becoming irrelevant. New donors, business and civil society are all involved in addressing poverty, aid flows from DAC donors are a dwindling proportion of the global fight against poverty. **The challenge ahead is to create a much more nimble approach which inspires rather than coerces and is capable of drawing diverse expertise into a coherent response to the needs and aspirations of the poorest people in the world.**

Like AusAID, CARE has historically had a strong emphasis on effective management of projects and we are moving to take a higher level approach, moving beyond a focus on projects and their outcomes to try to understand how we can best achieve lasting impact at scale. This has led us to the following conclusions around key elements:

- **A long-term focus** – Recognising that social change is a slow and complex process, CARE is moving towards planning programs around a 10-15 year timeframe. This is not fully funded from day one but provides a solid basis for planning and adaptation of approaches. Even though individual activities within the program may be designed in project-sized chunks of 1-5 years, these will come under the framework of a long-term program vision.

- **A central emphasis on impact** – For CARE this means starting with a clearly defined goal for the impact we want to see on the lives of a defined group of vulnerable people, be it vulnerable women and girls, or rural poor.

- **Deep analysis of poverty** – Selection of the impact group then drives the analysis needed to understand local dynamics and how change can be brought about. Analysis goes beyond appreciating the immediate symptoms of poverty to understanding its deep-seated causes, examining basic human conditions, issues in the enabling environment, as well as factors contributing to social position and marginalisation.

- **A clearly defined theory of change** – Understanding pathways of change and potential breakthrough points helps identify areas around which individual interventions can be designed, and assists in designing measures to see whether impact has been achieved.

- **Working with partners** – Analysis also aims to identify where CARE’s efforts can best be placed, in the context of a range of development actors (civil society, government, the private sector) who are our indispensable allies.

- **A clear emphasis on gender equality and empowerment of women** – CARE was not established as a specialised agency with a focus on women’s rights and women’s empowerment, but through experience and research we have come to appreciate the central role of women’s empowerment to achieving impact on poverty reduction.
In designing and delivering such programs, CARE is committed to responding to the needs and aspirations of the communities we work with, supporting evidence-based solutions to issues of poverty and discrimination. We use our experience to advocate and campaign for better practices and policies to fulfill the rights of the poor and particularly poor women. We build partnerships with communities, civil society organisations, governments and the private sector to share knowledge and resources in the fight against poverty and discrimination. We seek to leverage our work to achieve impacts at scale.

Our experience points to significant opportunities for more effective strategic engagement with donor partners such as AusAID. At a country level, stronger long-term alignment of CARE’s programs with AusAID country objectives offers multiple opportunities to leverage total aid resources for greater impact. CARE’s community-driven programs recognise the need for complementary effort in strengthening government capacities, just as our insights into the practical effects of government policies and programs on poor communities can strengthen donor programming.

AusAID's Office of Development Effectiveness review of donor engagement with civil society has the potential to lead international thinking in this area. AusAID should aspire to become a world leader in working with civil society. In part, this leadership could be demonstrated through long-term, strategic country partnerships with Australian NGOs based on the aid effectiveness principles outlined above.

**Humanitarian Emergencies**

**Emergency and natural disasters are a major cause of poverty.** Population growth has too frequently pushed poor people into more marginal land which is more prone to flooding or drought, and climate change is increasing the frequency of extreme weather events. For most of the decade from the mid 1990s, Australia was in the vanguard of donor responses to emergencies, providing rapid and effective aid. However, the past five years has seen other donors taking the lead from Australia.

**Funding to emergencies should remain a significant part of Australia’s aid program.** Emergency aid is often made available too late, is short-term and targeted heavily on saving lives rather than protecting vulnerable livelihoods. Effective emergency responses must:

- **Take preventative action** – Make funding available early enough to counteract the first signs of an impending emergency. Early action can prevent hungry people becoming starving people and prevent people from selling their few assets and taking on debts that then become a major barrier to recovery.

- **Do more than save lives** – Emergency aid must sow the seeds of recovery. For example, aid is often provided predominantly as food aid. Unless we balance this with also supporting pastoral and agricultural livelihoods and associated services and markets, populations remain vulnerable to crisis.

- **Ensure support is sustained** – Predictable funding for long-term work is essential to help people get back on their feet, rebuild their incomes and tackle the root causes of the crisis.

Recent studies indicate that upwards of 60 per cent of overseas humanitarian aid response to major emergencies is delivered through NGOs. Despite the large role of non-government agencies in managing humanitarian responses, the Australian Government channels around 80-90 per cent of its available humanitarian funding to UN agencies (see OCHA FTS Annual Donor Country Profile). UN agencies overwhelmingly use NGOs to deliver their humanitarian funding, and although there have been UN-led Humanitarian reform efforts and responses to major emergencies are frequently hampered by slow disbursement of funds to the frontline humanitarian NGOs by the UN. In the 2010 Pakistan floods, it typically took over 30 days for
funds channelled through the Central Emergency Response Fund and through UN agencies to reach the NGO implementing partners. Donors, such as the Australian Government, should continue lobbying the UN to strengthen the humanitarian system and maintain diverse funding channels, in order to promote flexible and comprehensive financing during humanitarian responses and ensure that reliance on one method of funds delivery does not lead to delays in humanitarian program implementation. We also recommend that AusAID reconsider the balance of emergency funding through NGOs and through the UN and provide more funds quickly to NGOs to enable fast responses.

The recent review of AusAID humanitarian funding (2010) concluded that a separate mechanism is needed for funding protracted crises. We welcome this conclusion and encourage the review to look at this issue and, in consultation with NGO partners, to make specific recommendations for an appropriate mechanism.

In insecure environments such as Afghanistan and Pakistan, Australian Government aid is increasingly being delivered through Defence and other government departments, to support whole-of-government political and military objectives. Unifying political, military and humanitarian objectives may strengthen policy coherence in government, but it can have significant negative implications for humanitarian activity unless applied carefully. For example, an increased emphasis in Afghanistan on stabilisation and state-building activities has diverted attention from a growing humanitarian crisis and the goal of assistance based on assessed need. Further, an integration of development activities to achieve overall campaign objectives reduces the ‘independent and impartial’ space in which humanitarian actors, including NGOs, operate. In Afghanistan, military involvement in aid can also draw aid projects into the conflict, with projects that are directly associated with one warring party placing aid workers and beneficiaries at risk, and reducing aid effectiveness. A 2009 study demonstrated that schools constructed by “Military Provincial Reconstruction Teams were more vulnerable to attack than other schools” (see: CARE, Afghan Ministry of Education and World Bank (2009) Knowledge on Fire: Attacks on education in Afghanistan). As more available funding to NGOs is linked with political and military objectives in such contexts, the opportunities for community-based, needs-driven aid and development are decreasing and NGO workers and projects are placed under increased security risk.
Climate Change

Climate change presents a profound threat to our efforts so far to address poverty and is pushing more people into poverty and income insecurity. The world’s poorest people are the most vulnerable to climate change though they contribute least to its causes.

Existing aid commitments must be delivered in ways that are resilient to climate change and do not increase vulnerability to the climate. Climate change can undermine or, in some cases, reverse the effectiveness and sustainability of development interventions. What’s more, some interventions can unintentionally leave people even more vulnerable to worsening droughts and floods, changing rainfall patterns, sea-level rise and other impacts of climate change. Conversely, well-designed development activities can increase people’s resilience to these impacts. It is therefore critical to integrate climate change into all development strategies, plans and programs. This is especially true when pursuing goals that are likely to be affected by the impacts of climate change, such as greater access to safe drinking water, healthy ecosystems or food security.

Further to integrating climate change into existing aid commitments, substantial new and additional funding is needed to address the emerging challenges of climate change. However, sufficient adaptation funding, while crucial, is not enough. We must also ensure that funds are used effectively, and are channelled where they are needed most. Vulnerable groups within countries and communities must be identified through systematic assessment of socio-economic vulnerability within high-risk geographic regions. This is not currently an integrated part of international and national approaches to adaptation.

Climate change is making it even more difficult for many women to realise their basic rights, and it is worsening inequalities since women are often more vulnerable to its impacts than men. Many women are denied access to new information about climate change and participation in important decision-making processes despite having unique skills and vital knowledge to contribute. A particular climate hazard, such as a drought, does not affect all people within a community – or even the same household – equally because some people have greater capacity than others to manage the crisis. The inequitable distribution of rights, resources and power – as well as repressive cultural rules and norms – constrains many people’s ability to take action on or respond to climate change. This is especially true for women. Therefore, women’s empowerment is a crucial strategy in addressing climate change.
Conclusion

Aid has been effective, but the world is changing rapidly and aid agencies need to understand and respond to these changes. It is well known that trade and investment flows to developing countries now dwarf aid flows. According to the Brookings Institute, private philanthropy from developed to developing countries is now $USD60 billion, around half the current level of official aid flows. Our aid should understand and leverage this diverse range of resources contributing to poverty reduction.

International development should be a core policy area for the Australian Government. A professional development agency led by a Cabinet Minister which ensures that the machinery of Government as a whole supports effective collaboration on international priorities will enhance our positive impact on global poverty and help to secure Australia’s future.

Our specific messages for the Independent Review Team are:

- Civil society is as important as government in effective responses to poverty and support for civil society needs to be systematically integrated into the aid program.
- Accredited Australian NGOs have demonstrated their capacity for delivering effective poverty reduction programs, raising significant funds from the Australian public and creating a greater understanding of aid and development issues in Australia. AusAID support for ANGOs should be significantly expanded.
- Gender equality and women’s empowerment are fundamental to poverty reduction and must be systematically integrated into AusAID programs.
- Emergencies and natural disasters can reverse years of gains against poverty. More funding should be directed to preventative action and a greater proportion of emergency funding should be provided through NGOs with the capacity for rapid response.
- Climate change presents a profound threat to efforts to address poverty and it must be mainstreamed into the aid program. Substantial new and additional support is needed to identify and address the needs of the most vulnerable people and groups within national adaptation strategies.

About CARE Australia

CARE Australia was established in 1987 by former Prime Minister the Right Honourable Malcolm Fraser, AC, CH as part of the CARE International confederation, a non-religious and non-political organisation dedicated to the fight against global poverty.

In 2009 the CARE International confederation served a total of 59.4 million people delivering programs with a total value of over $USD900 million in 72 countries. Our support includes health care, education, economic development, water, sanitation and hygiene, agriculture and natural resources as well as emergency preparedness and response.

In 2009/10, CARE Australia delivered programs valued at $AUD58.5 million in 21 countries.

International research and our own experience points to the clear fact that gender equality and empowering women and girls are fundamental to the fight against global poverty. Women’s empowerment is important in its own right. No single group of people is more disempowered and excluded around the world than women. CARE is committed to supporting gender equality and empowering women and girls through our work.